



CITY OF NORTHAMPTON

SUSAN WRIGHT FINANCE DIRECTOR

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MEMORANDUM

TO: Mayor David J. Narkewicz
FROM: Susan Wright, Finance Director
DATE: February 13, 2015
RE: Transfers to Treasurer's Office OM

An order for a transfer of \$27,600 from Free Cash to the Treasurer's Office Operating budget has been prepared for the February 19, 2015 Council Meeting.

The legal account needs \$18,000, as the original appropriation of \$10,800 has been expended. The new Treasurer has been very active in the collection of tax titles working directly with the Tax Title Working Group that has been meeting regularly. For the first six months of the fiscal year, the city has received \$291,558 in tax title collections, compared to \$146,500 during the same period last fiscal year. The Treasurer's Office has also increased the number of taxpayers that have entered into payments plans from four to fifteen. Currently payment plans are generating \$15,000 a month in collections. At the end of FY14 the Department of Revenue required that we dissolve our Receipts Reserved Account where we deposited legal fees reimbursed to the city as a result of tax title and land court activity. Legal fee reimbursement now comes into the general fund and to date we have received \$7,887 in reimbursement. Eventually the city will recover most of these costs.

The tax collection service account needs \$1,500, as the original appropriation of \$1,500 has been expended. This account is used for tax title payoff filing fees which is a \$75 fee the Treasurer pays to the Registry to release tax title liens once taxpayers have paid in full. Due to the increased activity, with 27 filings (compared with 13 filings in FY14) we anticipate

approximately 20 filings between now and June 30.

The financial management services account needs \$8,100. The original appropriation of \$9,125 has been expended. This account pays banking fees and the monthly average cost has been \$1246 compared with last year's monthly average cost of \$791. In addition, due to the change in Treasurer, additional costs were incurred to implement a new signature system within MUNIS with greater security at the same time we the new Treasurer began her duties.

City of Northampton
MASSACHUSETTS

In City Council; February 19, 2015

Upon recommendation of the Mayor,

Ordered, that

\$ 27,600 be appropriated from the FY15 General Fund Undesignated Fund Balance (Free Cash) to the following accounts:

Treasurer OM – Legal 11452 530002 - \$18,000

Treasurer OM – Financial Management Services 11452 530012 - \$8,100

Treasurer OM – Tax Collection Services 11452 530013 - \$1,500